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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly a note dated 13 November 1996 from the Joint Inspection Unit, containing its updated and additional views on the strengthening of the external oversight mechanisms in accordance with Assembly decision 47/454 B of 23 December 1992.

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ANNEX

Note dated 13 November 1996 from the Joint Inspection Unit containing its updated and additional views on the strengthening of external oversight mechanisms submitted in accordance with General Assembly decisions 47/454 B of 23 December 1992 and 48/493 A of 29 July 1994

Introduction

1. The purpose of the present note is to provide the General Assembly with the updated and additional views of the Joint Inspection Unit (JIU) on the strengthening of external oversight mechanisms as a contribution to the review of this topic by the General Assembly in accordance with its decisions 47/454 B of 23 December 1992 and 48/493 A of 29 July 1994. These views supplement the earlier views of the Unit contained in the report of the Secretary-General in document A/49/633 of 30 November 1994 and in its 1994 annual report. a/

2. Reflecting the greatly increased concern of Member States about the need for effective oversight, the General Assembly in its resolution 50/233 of 7 June 1996 stressed that the impact of the Unit on the cost-effectiveness of activities within the United Nations system was a shared responsibility of the Member States, the Unit and the secretariats of the participating organizations. While this resolution specifically concerned JIU, the general application of the concept of shared responsibility clearly would apply to the impact, or effectiveness, of external oversight mechanisms as a whole, and not be restricted only to the Unit. The Unit believes this recent assertion by the Assembly, in connection with other developments since 1994, sets the proper context for a renewed consideration of requirements for strengthening external oversight mechanisms of the United Nations.

Member States

3. Within the context of shared responsibility for the impact, or effectiveness, of external oversight mechanisms, Member States clearly play an essential leading role. Member States are the intended beneficiaries of United Nations system activities and programmes; determining whether these activities and programmes are being conducted as efficiently and effectively as possible to meet the interests of Member States is the ultimate reason for having external oversight mechanisms.

4. This essential leading role of Member States means that leadership, guidance and targeting from legislative organs are conditions sine qua non for meaningful, effective and strong external oversight mechanisms. Certainly the external oversight units have an obligation to identify issues that they believe may be of concern to Member States, but the intergovernmental bodies need to respond to such suggestions and be willing to guide and target the external oversight units on those issues of particular concern to Member States, and they need to devote attention and sufficient time for the consideration of the outputs of the external oversight units.

5. Furthermore, it is of paramount importance that Member States give a clear message to the secretariats of participating organizations that the external oversight units enjoy their strong support, and that these units are exercising oversight functions on behalf of Member States. Only in this way can it be expected that the secretariats will take the external oversight units seriously, which is required to create a proper environment for overcoming resistance to the implementation of certain recommendations.

6. Related to giving the secretariats of participating organizations a clear message of support from Member States for the external oversight mechanisms is the matter of assuring their appropriate independence from the secretariats. Article 7 of the JIU Statute provides that the Inspectors should discharge their duties in full independence and in the sole interest of the organizations. The Inspectors believe this independence implies what is a prerequisite for any oversight function, i.e., administrative and budgetary operational independence from the secretariat officials whose work is being overseen. The importance of this for oversight mechanisms has been recognized, for example, in General Assembly resolution 48/218 B of 29 July 1994, in which the Assembly stated that the Office of Internal Oversight Services should exercise operational independence.

7. As a consequence, in terms of operational independence regarding administrative matters, the Secretary-General's Bulletin on the establishment of the Office of Internal Oversight Services (ST/SGB/273) delegates to the Office authority for certifying all accounts of the Office (para. 32) and for exercising "the degree of latitude and control over the personnel and resources of the Office, consistent with the Staff Regulations and Rules of the United Nations and the Financial Regulations and Rules of the United Nations, that is necessary to achieve the objectives of the Office" (para. 34). Regarding budgetary matters, the Bulletin provides that, in presenting programme budget proposals for the Office to the General Assembly, "the Secretary-General shall take into account the need to ensure its operational independence and the appropriation of resources for the effective functioning of the Office" (para. 30). Further assuring the independence of the Office, the Under-Secretary-General for Internal Oversight Services has the right to include in his annual report to the General Assembly "comment on the scope of his activities and the adequacy of resources for the purpose intended" (para. 28).

8. The Inspectors believe that similar operational independence is required for all oversight mechanisms, in particular for the external oversight mechanisms like the Unit. Administrative, budgetary and financial arrangements for the Unit are established by articles 16 to 20 of the JIU Statute. It is the view of the Inspectors that the operational independence of the Unit has been compromised in practical terms by the Secretary-General's interpretation of article 20, especially. This article provides that the Unit's budget estimates should be established by the Secretary-General after consultation with the Administrative Committee on Coordination on the basis of proposals made by the Unit. The budget estimates should be submitted to the General Assembly together with the report thereon by the Administrative Committee on Coordination and with the comments and recommendations of the Advisory Committee on Administrative and Budgetary Questions. The Unit should be invited to be represented at meetings when its budget estimates were being discussed.

9. The fact that the Secretary-General provided no explanation to either the Unit or the General Assembly for including in his proposed 1996-1997 budget estimates for the Unit a request lower than that submitted by the Unit demonstrates the Unit's lack of operational independence from the Secretariat in regard to its budgetary and personnel resources. This has been compounded by the fact that the Secretary-General so far has disregarded the comments and recommendations of the Advisory Committee on Administrative and Budgetary Questions for enhancing the Unit, endorsed by the General Assembly in its resolution 50/214 of 23 December 1995, and calls by the General Assembly in the same resolution for him to consult with the Unit on proposals for strengthening the Unit's secretariat which should be reflected in the revised estimates for 1996-1997.

10. The Unit's interpretation of the procedure called for in article 20 is that its original proposals should be submitted to the General Assembly together with the comments of the Secretary-General and the Administrative Committee on Coordination, through the Advisory Committee on Administrative and Budgetary Questions. This would enhance the independence of the Unit from the secretariats of the participating organizations, but still assure the Member States their full prerogative for making final budget decisions on the basis of being fully informed of the view of both the Unit, the secretariats and the Advisory Committee on Administrative and Budgetary Questions. The consultation process described in article 20 should help clarify any discrepancy and facilitate a better understanding before the JIU proposals are taken up by the Advisory Committee on Administrative and Budgetary Questions and the United Nations General Assembly.

11. In order for external oversight units to exercise the role expected of them, Member States need to determine and provide the appropriate resource requirements for them in view of their mandate and scope of activities. With regard to the Unit, the Inspectors have indicated the need for additional staff but, despite repeated calls from the General Assembly for strengthening external oversight mechanisms and for strengthening the Unit in particular, the Secretary-General's budget estimates have not provided for such strengthening. Even more disturbing is the fact that, without any prior consultation or participation of the Unit (as stipulated in article 20 of the JIU Statute), the Consultative Committee on Administrative Questions (Financial and Budgetary Questions) at its eighty-fifth session (ACC/1996/15) has recommended to the Administrative Committee on Coordination a reduced 1998-1999 budget level for the Unit.

12. Ultimately, of course, the effectiveness of an external oversight mechanism depends on the quality of its personnel. For JIU, the selection and appointment of Inspectors is a matter for Member States to decide. The Unit itself has stated (e.g., its 1995 annual report) b/ that its overall performance and impact could be further enhanced if, among other things, the individual Member States that propose candidates and the General Assembly take the necessary action to ensure that the Inspectors selected meet the qualifications stipulated in article 2 of the JIU Statute. Also important is the need to secure the independence of JIU staff assisting the Inspectors. This is an area where improvement is needed to eliminate possible ambiguities as to whom such staff members owe their allegiance, thus avoiding a potential conflict of loyalties.

A correct interpretation of their status should be that such staff are appointed by the Secretary-General - and that the Staff Regulations and Staff Rules of the United Nations apply to them - but they are working for and accountable to the oversight body to which they are assigned. In addition, practical and effective safeguards need to be established to ensure that their professional careers will not be affected adversely. In this regard, the Unit believes that delegating to it the same authority for control of personnel that now is delegated to the Office of Internal Oversight Services (see para. 7 above) would help.

Secretariats of participating organizations

13. The work of external oversight mechanisms must be done in close cooperation with the secretariats of participating organizations. This is true especially for the preparation of JIU reports, in view of the size of the JIU secretariat and the nature of its reports. Thus, indispensable to strengthening the effectiveness and impact of JIU is the unreserved cooperation of the secretariats of participating organizations in the formulation of its work programme, the preparation of its reports, the presentation of its reports to legislative organs and the implementation of its recommendations approved by legislative organs.

14. Cooperation begins with the formulation of the JIU programme of work. In an effort to help assure the relevance of its reports, before drawing up its work programme each year, the Unit requests all secretariats of participating organizations to suggest topics to be included. Furthermore, when the JIU annual programme of work is circulated officially, it also includes a tentative list of topics being considered for the subsequent years. This is another good occasion for the secretariats, as well as Member States, to convey to the Unit whatever comments they might have to offer on topics for reports.

15. Improved coordination within the secretariats of the individual organizations, as well as within the Administrative Committee on Coordination, would help further to assure the relevance of the JIU programme of work to priorities of the common system collectively identified at the inter-secretariat level. In this regard, the Unit has officially presented to the secretariats of its participating organizations two proposals:

(a) Suggestions submitted to the Unit by the secretariats should, in all cases, be approved directly by the executive heads concerned, as envisaged in article 9 of the Statute, to avoid past situations where suggestions received did not always represent the concerns and priorities of the entire organizations;

(b) The Administrative Committee on Coordination and its subsidiary bodies should be more involved in suggesting topics for reports of concern to the system as a whole, and/or in coordinating the suggestions of individual members of the Administrative Committee on Coordination as already proposed by the Consultative Committee on Programme and Operational Questions.

16. In the actual preparation of JIU reports, the quality and timeliness of inputs from the secretariats is critically important. Full cooperation extended

to Inspectors in the course of their work, and timely responses to JIU requests for information and for comments on draft texts, are required in order to allow the well-timed issuance of reports. In this regard, it should be remembered that the secretariats have full opportunity to comment on the draft reports well before they are issued as official documents. It is the Unit's policy to give full and serious consideration to the comments provided by the secretariats, and to incorporate those comments in reports to the extent possible. In the event that the secretariats believe their views are not reflected appropriately in the final reports, the reporting procedure envisaged in article 11 of the JIU Statute assures a further opportunity for the executive heads to present their comments directly to their legislative organs together with the JIU reports.

17. Once reports are issued by the Unit, it is most important that they be brought to the attention of Member States in a full and timely fashion. Member States need to receive full copies of the reports accompanied by frank and specific comments from the secretariats rather than just secretariat summaries and light commentaries on them, as is the practice within some participating organizations. Furthermore, the preparation of official comments on the reports from the secretariats within the time-frames specified by article 11 of the JIU Statute is necessary in order to avoid legislative organs from being asked to take action on JIU reports after they have become outdated.

18. The final step in assuring the impact and effectiveness of JIU is the actual implementation of JIU recommendations approved by legislative bodies. Article 12 of the JIU Statute provides that executive heads of organizations shall ensure that recommendations of the Unit approved by their respective competent organs are implemented as expeditiously as possible. Within the framework of this article, consideration could be given to calling for all executive heads to submit regularly to their respective legislative bodies detailed annual or biennial reports on the status of implementation of approved JIU recommendations.

Joint Inspection Unit

19. While calling for leadership and support from Member States, the Inspectors at the same time are fully aware that such support needs to be earned through the relevance of their work and the contributions their reports make to improving the management effectiveness and efficiency of the United Nations system. The Unit has taken measures towards this end and continues to seek further improvements. These measures also will serve to provide incentives for the increased cooperation from the secretariats that is so important.

20. The improvement of the quality of any output is a continuous process. As indicated in its 1995 annual report, c/ "The Unit welcomes constructive criticism supported by objective analysis of its reports". In the context of shared responsibility for the impact of JIU reports, as called for in the General Assembly resolution cited above, the Unit looks forward to working with the Member States and the secretariats on improvements in the way its reports are prepared and handled.

21. The Unit's efforts to gain the benefit of suggestions for its programme of work from the secretariats of participating organizations, as well as from Member States, are indicated in paragraph 14 above.

22. Therefore, even though article 9 of the Statute calls for the Unit ultimately to decide on its programme of work, the Member States and the secretariats do share responsibility for ensuring the relevance of JIU reports to their interests and mandates since they have such ample opportunity to make their views known.

23. The Unit has been seeking to improve the process of selecting subjects for its programme of work and it believes that the items included now better reflect the concerns and interests of Member States. In fact the General Assembly in its resolution 48/221 of 23 December 1993 expressed appreciation of the efforts of the Unit aimed at improving its programming methods, output and quality of work. Nevertheless, the Unit would like to continue to work with the Member States and the secretariats to make further improvements in the selection process.

24. The Unit has revised and updated its internal standards and guidelines in order to ensure that inspections, evaluations and investigations are conducted as effectively as possible. These standards and guidelines are attached to the 1996 annual report of JIU d/ to assure a fuller understanding throughout the United Nations system of how JIU conducts its work. They will be complemented by detailed internal procedures.

25. The Unit recognizes the concerns of the secretariats about being overloaded with requests from the various external and internal oversight bodies. The Unit is making increased use of information technology and developing internal procedures to avoid requests to the secretariats when possible. For this purpose, the Unit would like to arrange with the secretariats to make available on a timely basis all relevant published documents and information the organizations maintain, including those on line. The Unit also would like to explore with the subsidiary machinery of the Administrative Committee on Coordination the possibility of gaining access to whatever relevant system-wide information systems they have available and/or of developing new on-line information sources that would be accessible to all oversight bodies, as well as the different organizations of the common system.

26. The avoidance of duplication with other bodies is a matter of concern to the JIU and, therefore, it endeavours to coordinate its programme of work, to the extent possible, with other external oversight bodies, and also with internal oversight bodies. The Unit believes that more attention and effort should be devoted to developing practical cooperation, coordination and mutual support among external and internal oversight bodies. As called for in paragraph 7 of General Assembly resolution 48/221, JIU seeks to maintain a close relationship with the Committee for Programme and Coordination, the International Civil Service Commission, the Advisory Committee on Administrative and Budgetary Questions, the Board of Auditors, the Panel of External Auditors and organizations and bodies within the United Nations system in order to ensure greater and more cost-effective coordination of their respective activities for

the promotion of management efficiency, greater accountability and transparency of the United Nations and other participating organizations.

27. Cooperation among external oversight bodies should be defined more precisely; it should be seen as more than mere avoidance of overlap and duplication. Oversight organs should develop the practice of undertaking complementary projects, and also consider implementing larger and complex oversight projects with agreed and shared responsibilities. What is needed is to move from the present approach of stressing and protecting the independence of each oversight body and their separate mandates, and to develop a culture of positive cooperation among these bodies.

28. The mandates of the different external and internal oversight bodies have been approved by the Member States. Any duplications among these bodies is a potential problem extending well beyond JIU, and the Unit should not be singled out to bear responsibility for whatever unnecessary duplication may exist. The Unit also notes that the difference between the external and internal oversight functions and the need to ensure respect for their separate and distinct roles have been emphasized by Member States (see para. 6 of section II of General Assembly resolution 48/218 A; the sixth preambular paragraph of General Assembly resolution 48/218 B; and the second preambular paragraph of General Assembly resolution 50/233).

29. At the request of the secretariats of the United Nations, the World Meteorological Organization and the International Civil Aviation Organization, the Unit has included in its programme of work for 1996-1997 provision for a report on the coordination and harmonization of the work of the oversight bodies of the United Nations system.

Conclusion

30. The 'added-value' of JIU recommendations, and recommendations of other oversight mechanisms as well, can be measured only through their implementation, which depends on their approval by the legislative organs and their actual implementation by the secretariats. Thus, deriving 'value for money' from their investment in the Unit and other oversight mechanisms ultimately depends on the organizations themselves. In this regard, the Unit welcomes the treatment given its recommendations during the one hundred and forty-ninth session of the Executive Board of the United Nations Educational, Scientific and Cultural Organization and the thirty-fourth session of the Committee for Programme and Coordination, at which detailed actions were taken on all of the recommendations contained in the reports considered by these organs.

31. The Unit reiterates its earlier conclusion (see the views of JIU included in the Secretary-General's report of 30 November 1994 (A/49/633) and para. 84 of its 1994 annual report) e/ that a general weakness of oversight mechanisms is the fragmented, unclear and weak provisions for compliance with and follow-up on approved recommendations. The Unit believes this is a matter that requires urgent attention.

32. The Unit looks forward to working together with Member States and the secretariats of the participating organizations on this urgent matter and other measures to increase further the impact of the Unit and other oversight mechanisms on the cost-effectiveness of United Nations system activities.

Notes

a/ Official Records of the General Assembly, Forty-ninth Session, Supplement No. 34 (A/49/34), paras. 44-93.

b/ Ibid., Fiftieth Session, Supplement No. 34 (A/50/34, para. 3).

c/ Ibid., para. 57.

d/ To be issued as A/51/34.

e/ Ibid., Forty-ninth Session, Supplement No. 34 (A/49/34).